

Registered number
3051244

Mondi Packaging (UK) Limited

Report and Accounts

31 December 2007



Mondi Packaging (UK) Limited
Report and accounts for the year ended 31 December 2007
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Mondi Packaging (UK) Limited
Company Information

Directors

C A Hunt
J H A R Schoonbrood

Secretary

G P Fenwick

Auditors

Deloitte LLP
Nottingham

Registered office

Building 1, 1st Floor
Aviator Park
Station Road
Addlestone, Surrey
KT15 2PG

Registered number

3051244

Mondi Packaging (UK) Limited

Directors' Report

The directors present their report and audited accounts for the year ended 31 December 2007.

Principal activities and review of the business

The company's ultimate parent undertaking and controlling party at the start of the year was Anglo American plc. Following the demerger from Anglo American plc on 3rd July 2007 the company's ultimate parent undertaking and controlling party is Mondi plc, and the company's immediate parent undertaking is Mondi Packaging UK Holdings Limited. Copies of the group financial statements of Mondi plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The company's principal activity during the year continued to be the manufacture and sale of packaging products. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

During the year the company's authorised share capital was increased to £200,000,000 and a further 56,519,084 £1 ordinary shares were issued and fully paid at par.

As shown in the company's profit and loss account the company's sales have increased by 13% over the prior year, but the gross profit margin has deteriorated from 31.4% to 26.3% due to increased costs. The operating loss has however improved in comparison to the previous year. This improvement is in part attributable to the fixed asset impairment charge of £1,363,000 in the previous year for which there is no corresponding charge this year. The company's net asset position has improved from net liabilities of £12,153,000 to net assets of £40,000,000.

The directors use the following key performance indicators to monitor the performance of the business against prior years and competitors.

	2007	2006
Gross Profit %	26.30%	31.40%
Operating Loss %	-0.70%	-5.00%

Mondi Packaging (UK) Limited

Directors' Report

Principal risks and uncertainties

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers. The company's credit risk is mainly attributable to trade receivables. The exposure is spread over a large number of customers, which limits exposure, and during the year the company has put credit insurance in place.

The company is exposed to interest rate changes as a result of financing being held at floating rates. The risk is minimised however due to the fact that all funding is internal with scope for negotiation. From June 2007 the banking has been held within a cash pool with the UK having an overall positive cash balance.

The company is partially exposed to exchange rate fluctuations in the Euro Zone as a result of holding inter-company balances in foreign currencies. Foreign currency bank accounts are held within the group to minimise this risk. No derivatives are used.

Environment

Mondi Packaging (UK) Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this Report. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in the notes to the accounts.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

Payment policy and practice

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of those terms and to abide by them. Trade creditor days for the year were 101 days (2006: 87 days).

Results and dividends

Details of the results for the year are shown in the profit and loss account. The directors do not recommend the payment of a dividend (2006: Nil).

Directors

The following directors served during the year:

F T Allan (resigned 13 May 2008)

J H A R Schoonbrood

The following director was appointed after the year end

C A Hunt (appointed 13 May 2008)

Mondi Packaging (UK) Limited

Directors' Report

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

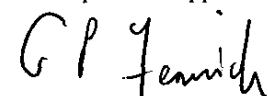
Directors' indemnities

The company, via its ultimate parent undertaking, has made qualifying third party indemnity provisions for the benefit of its directors which were made during the previous year and remain in force at the date of this report.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors

This report was approved by the board on 10 December 2008.



G P Fenwick
Secretary

Mondi Packaging (UK) Limited
Independent auditors' report
to the shareholders of Mondi Packaging (UK) Limited

We have audited the accounts of Mondi Packaging (UK) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Mondi Packaging (UK) Limited
Independent auditors' report
to the shareholders of Mondi Packaging (UK) Limited

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Deloitte LLP

Deloitte LLP
Chartered accountants and registered auditors

Nottingham
UK

11th December 2008

Mondi Packaging (UK) Limited
Profit and Loss Account
for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	2	75,897	66,971
Cost of sales		(55,969)	(45,961)
Gross profit		<u>19,928</u>	<u>21,010</u>
Distribution costs		(5,391)	(5,104)
Administrative expenses - other		(15,071)	(17,915)
Administrative expenses - impairment of fixed assets		-	(1,363)
Administrative expenses - total		<u>(15,071)</u>	<u>(19,278)</u>
Operating loss	3	<u>(534)</u>	<u>(3,372)</u>
Exceptional items:			
Impairment of fixed assets	4	-	(852)
		<u>(534)</u>	<u>(4,224)</u>
Interest receivable	7	769	757
Interest payable	8	(5,860)	(4,505)
Loss on ordinary activities before taxation		<u>(5,625)</u>	<u>(7,972)</u>
Tax credit on loss on ordinary activities	9	1,252	882
Loss for the financial year	17,18	<u>(4,373)</u>	<u>(7,090)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two financial years. Accordingly no statement of total recognised gains and losses is given.

Mondi Packaging (UK) Limited
Balance Sheet
as at 31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	10	27,963	28,842
Current assets			
Stocks	11	2,129	1,842
Debtors	12	56,685	46,267
Cash at bank and in hand		2,934	-
		<u>61,748</u>	<u>48,109</u>
Creditors: amounts falling due within one year	13	(24,919)	(19,995)
Net current assets		<u>36,829</u>	<u>28,114</u>
Total assets less current liabilities		<u>64,792</u>	<u>56,956</u>
Creditors: amounts falling due after more than one year	14	(22,989)	(67,927)
Provisions for liabilities			
Deferred taxation	15	(1,803)	(1,182)
Net assets/(liabilities)		<u>40,000</u>	<u>(12,153)</u>
Capital and reserves			
Called up share capital	16	73,519	17,000
Profit and loss account	17	(33,519)	(29,153)
Shareholders' funds/(deficit)	18	<u>40,000</u>	<u>(12,153)</u>



C A Hunt
Director

Approved by the board on 10 December 2008.

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable United Kingdom Accounting Standards. These accounting policies have been applied consistently in both the current and prior year.

Cashflow statement

The company is exempt from preparing a cashflow statement on the basis that a consolidated cashflow statement which includes the company is presented in the financial statements of the ultimate parent undertaking, Mondi plc.

Turnover

Turnover is the total amount receivable by the company for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Fixed assets

Fixed assets are stated at cost less depreciation net of any provision for impairment. Depreciation is provided to write off the cost or revalued amounts less estimated residual value, in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	3%
Plant and machinery	5% - 33%

No depreciation is provided on freehold land.

The company's policy is to carry all assets at historic cost, except freehold land and buildings which have been included in the balance sheet at a valuation existing on 31 December 2000 when the company implemented FRS15 for the first time.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the actual purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

1 Accounting policies (continued)

Taxation

Current UK Corporation tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account. Operating lease rentals are charged to the profit and loss in equal annual amounts over the lease term.

Share-based payments

The company has applied the requirements of FRS 20 "Share-based Payments".

The company's ultimate parent company, Mondi plc, issues equity-settled share-based payments to certain employees of the company. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and behavioural considerations.

Pensions

Defined contribution pension scheme

The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit pension scheme

The company adopted FRS17 Retirement Benefits. However, because the company's share of net assets and liabilities of the scheme could not be separately identified, contributions to the defined benefit scheme were charged to the profit and loss account as they became payable. The defined benefit pension scheme was transferred during the previous year to the Anglo UK pension scheme.

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

2 Turnover

Turnover is attributable to the company's principal activity, the manufacture and sale of packaging products carried out in the United Kingdom.

3 Operating loss	2007	2006
	£'000	£'000
This is stated after charging:		
Depreciation of owned fixed assets	2,798	2,814
Depreciation of assets held under finance leases and hire purchase contracts	400	400
Loss on sale of fixed assets	-	46
Impairment of fixed assets	-	1,363
Operating lease rentals - plant and machinery	234	200
Redundancy costs	-	706
Rents receivable	-	(6)
Auditors' remuneration for audit services	<u>67</u>	<u>64</u>

Auditors' remuneration shown is for the audit of the company's annual accounts, and there are no auditors' remuneration non audit fees to disclose in the current or prior year.

4 Exceptional items	2007	2006
	£'000	£'000
Impairment of fixed assets	<u>-</u>	<u>(852)</u>
Taxation thereon	<u>-</u>	<u>256</u>

The impairment in the prior year was in respect of plant and machinery written down to anticipated sale value.

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

5 Directors' emoluments	2007 £'000	2006 £'000
Emoluments	97	194
Compensation for loss of office	-	194
Company contributions to money purchase pension schemes	11	55
	<u>108</u>	<u>443</u>

Highest paid director:		
Emoluments	97	194
Company contributions to money purchase pension schemes	11	13
	<u>108</u>	<u>207</u>

The number of directors to whom retirement benefits accrued during the year under the company's defined contribution pension scheme in respect of qualifying services as a director of the company was one.

Number of directors in company pension schemes:	2007 Number	2006 Number
Money purchase schemes	<u>1</u>	<u>1</u>

6 Staff costs	2007 £'000	2006 £'000
Wages and salaries	10,824	10,532
Social security costs	1,126	1,185
Other pension costs	429	492
	<u>12,379</u>	<u>12,209</u>

Average number of employees during the year	Number	Number
Sales and administration	128	128
Production	246	235
	<u>374</u>	<u>363</u>

Wages and salary costs for the current year include £6,997 and for the prior year include £99,511 in respect of share award programmes of the former ultimate holding company, Anglo American plc, for awards granted at the balance sheet date. These are dealt with in accordance with FRS 20 as equity settled share-based employee benefits and have been credited to reserves as a capital contribution.

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

7 Interest receivable	2007	2006
	£'000	£'000
Bank interest receivable	45	168
Interest receivable from group undertakings	724	589
	<u>769</u>	<u>757</u>
 8 Interest payable	 2007	 2006
	£'000	£'000
Bank loans and overdrafts	116	251
Interest payable to group undertakings	5,744	4,254
	<u>5,860</u>	<u>4,505</u>
 9 Taxation	 2007	 2006
	£'000	£'000
Analysis of credit in period		
Current tax:		
Group relief surrendered	(1,640)	-
Adjustments in respect of previous periods	(233)	132
	<u>(1,873)</u>	<u>132</u>
 Deferred tax:		
Origination and reversal of timing differences	22	(1,079)
Effect of decreased tax rate on opening liability	(129)	-
Adjustment in respect of prior year	728	65
	<u>621</u>	<u>(1,014)</u>
 Tax on loss on ordinary activities	 <u>(1,252)</u>	 <u>(882)</u>

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

9 Taxation (continued)

Factors affecting tax credit for period

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2006: 30%). The actual tax (credit)/charge for the current and the previous year is different from the standard rate for the reasons set out in the following reconciliation.

	2007	2006
	£'000	£'000
Loss on ordinary activities before tax	<u>(5,625)</u>	<u>(7,972)</u>
Standard rate of corporation tax in the UK	30%	30%
	£'000	£'000
Loss on ordinary activities multiplied by the standard rate of corporation tax	(1,688)	(2,392)
Effects of:		
Expenses not deductible for tax purposes	69	230
Capital allowances for period in excess of depreciation	(13)	-
Share scheme deduction	-	(194)
Depreciation in excess of capital allowances	-	1,365
Movement in general provisions	(8)	37
Adjustment in respect of transfer pricing	-	1,276
Utilisation of tax losses	-	(322)
Adjustments to tax charge in respect of previous periods	(233)	132
Current tax credit for period	<u>(1,873)</u>	<u>132</u>

Factors that may affect future tax charges

Future tax charges will be affected by the change in the full rate of corporation tax to 28% with effect from 1 April 2008.

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

10 Tangible fixed assets

	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 January 2007	13,587	52,540	66,127
Additions	180	2,527	2,707
Disposals	-	(435)	(435)
At 31 December 2007	<u>13,767</u>	<u>54,632</u>	<u>68,399</u>
Depreciation			
At 1 January 2007	3,523	33,762	37,285
Charge for the year	366	2,832	3,198
On disposals	-	(47)	(47)
At 31 December 2007	<u>3,889</u>	<u>36,547</u>	<u>40,436</u>
Net book value			
At 31 December 2007	<u>9,878</u>	<u>18,085</u>	<u>27,963</u>
At 31 December 2006	<u>10,064</u>	<u>18,778</u>	<u>28,842</u>

Land and buildings includes £1,300,000 (2006: £1,300,000) of land which has not been depreciated.

Freehold land and buildings:	2007 £'000	2006 £'000
Historical cost	<u>19,370</u>	<u>19,190</u>
Cumulative depreciation based on historical cost	<u>(8,619)</u>	<u>(8,038)</u>

Land buildings were independently valued as at June 1997 by Jones Lang Wootton, licensed agents and approved valuers, on the basis of existing use. The transitional arrangements of FRS15 are being adopted in the case of the company's freehold land and buildings, where the valuation has not been updated since 1997. The company is not continuing the revaluation policy relating to this asset.

	2007 £'000	2006 £'000
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>1,352</u>	<u>2,046</u>

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

11 Stocks	2007	2006
	£'000	£'000
Raw materials and consumables	1,453	1,278
Work in progress	61	66
Finished goods and goods for resale	615	498
	<u>2,129</u>	<u>1,842</u>
 12 Debtors	 2007	 2006
	£'000	£'000
Trade debtors	16,222	13,661
Amounts owed by group undertakings	36,006	27,471
Group relief	2,276	2,406
Other debtors	1,540	1,433
Prepayments and accrued income	641	1,296
	<u>56,685</u>	<u>46,267</u>
 Amounts due after more than one year included in:		
Amounts owed by group undertakings	<u>-</u>	<u>11,552</u>
 13 Creditors: amounts falling due within one year	 2007	 2006
	£'000	£'000
Bank loans and overdrafts	5,792	4,484
Trade creditors	9,259	6,305
Amounts owed to group undertakings	3,800	3,098
Other creditors	2,687	2,155
Accruals and deferred income	3,381	3,953
	<u>24,919</u>	<u>19,995</u>
 14 Creditors: amounts falling due after one year	 2007	 2006
	£'000	£'000
Amounts owed to group undertakings	<u>22,989</u>	<u>67,927</u>

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

15 Deferred taxation

	2007	2006
	£'000	£'000

The provision for deferred tax comprises:

Accelerated capital allowances	3,119	2,278
Tax losses carried forward	(1,234)	(1,000)
Other timing differences	(82)	(96)
Provision for deferred tax	<u>1,803</u>	<u>1,182</u>

	2007	2006
	£'000	£'000
At 1 January	1,182	2,196
Deferred tax charge in profit and loss account	621	(1,014)
At 31 December	<u>1,803</u>	<u>1,182</u>

16 Share capital	2007	2006	2007	2006
	No	No	£'000	£'000
Authorised:				
Ordinary shares of £1 each	200,000,000	20,000,000	<u>200,000</u>	<u>20,000</u>
	2007	2006	2007	2006
	No	No	£'000	£'000
Allotted, called up and fully paid:				
Ordinary shares of £1 each	73,519,084	17,000,000	<u>73,519</u>	<u>17,000</u>

During the year the authorised share capital was increased to 200,000,000 £1 ordinary shares, and 56,519,084 £1 ordinary shares were issued at par and were paid up in full.

17 Profit and loss account	2007	2006
	£'000	£'000
At 1 January	(29,153)	(22,162)
Loss for the financial year	(4,373)	(7,090)
Capital contribution from Anglo American plc	7	99
At 31 December	<u>(33,519)</u>	<u>(29,153)</u>

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

18 Reconciliation of movement in shareholders' funds	2007	2006
	£'000	£'000
At 1 January	(12,153)	(5,162)
Loss for the financial year	(4,373)	(7,090)
Capital contribution from Anglo American plc	7	99
Shares issued	56,519	-
	<hr/>	<hr/>
At 31 December	40,000	(12,153)

The capital contribution from Anglo American plc is in respect of share based payments as detailed in the note on employee costs.

19 Pension commitments

Defined contribution scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amount to £428,112 (2006: £492,216). There were no accrued pension contributions at the end of the year.

Defined benefit scheme

The assets and the liabilities of the Willander Holdings Limited Pension Scheme were transferred to the Anglo UK Pension Scheme in the previous year, on 10 April 2006. The effect of this transfer was that the company has no further liability for contributions and has no interest in the assets or liabilities of the Anglo UK Pension scheme present or future. The principal employer of the merged scheme is Anglo American Services (UK) Limited.

20 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Other	Other
	2007	2006
	£'000	£'000
Operating leases which expire:		
within one year	219	93
within two to five years	236	208
in over five years	2	-
	<hr/>	<hr/>
	457	301

Mondi Packaging (UK) Limited
Notes to the Accounts
for the year ended 31 December 2007

21 Related parties

As a wholly owned subsidiary of Mondi plc, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Mondi plc.

22 Controlling party

Following the demerger from Anglo American plc on 3rd July 2007 the company's ultimate parent undertaking and controlling party is Mondi plc, a company which is incorporated in England and Wales. Copies of the group financial statements of Mondi plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The company's immediate parent undertaking is Mondi Packaging UK Holdings Limited.